

AD-A150 427 NATO-WARSAW PACT RIVALRY IN THE THIRD WORLD ARMS MARKET 1/1
(U) KENT STATE UNIV OH LYMAN L LEMNITZER CENTER FOR
NATO STUDIES R E KANET MAR 84 N00124-83-RC-02893

NATO-WARSAW PACT RIVALRY IN THE THIRD WORLD ARMS MARKET
(U) KENT STATE UNIV OH LYMAN L LEMNITZER CENTER FOR
NATO STUDIES R E KANET MAR 84 N00124-83-RC-02893

1/1

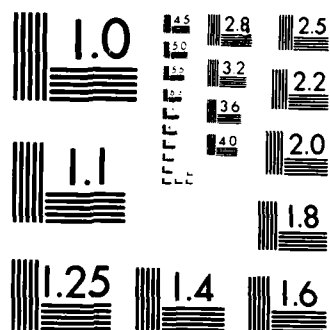
UNCLASSIFIED

F/G 5/4

NL

END

Lytic



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

AD-A150 427

DTIC FILE COPY



"NATO-WARSAW PACT RIVALRY IN THE THIRD WORLD ARMS MARKET"

Roger E. Kanet

Contract No. N00124-83RC-02893

March 1984

Prepared for
CENTER FOR NAVAL WARFARE STUDIES
NAVAL WAR COLLEGE
NEWPORT, RI 02841

Prepared by
THE LYMAN L. LEMNITZER CENTER
FOR NATO STUDIES
KENT STATE UNIVERSITY
KENT, OHIO 44242

Accession For	
NTIS GRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Avail and/or	Special
1st	
A-1	

This document has been approved
for public release and sale; its
distribution is unlimited.

DTIC
ELECTE
FEB 1 1985
S D
A

85 01 24 115

One of the most distinctive characteristics of the international political and security systems during the course of the past decade, or so, has been the phenomenal growth of the international sales of armaments and, in particular, the dynamism of the market for arms in the Third World. The substantial increase in purchasing power among OPEC countries in the early 1970s and the growing intensity of a number of regional rivalries among Third World states generated an expanded market for weapons, especially sophisticated and expensive ones. As a result the developing countries' share of total world arms imports rose from an annual average of 56 percent in 1963-1966 to 72 percent in 1975 and almost 81 percent in 1979.¹ It is important to recall that this significant increase in the developing countries' share of arms purchases has occurred at the very time of an almost exponential growth in the total amount of armaments sold on the world market--an increase, in current dollars, from arms valued at \$5.9 billion in 1969 to almost \$24 billion ten years later (in constant 1978 prices the growth is modest but still amounted to an increase from \$9.8 billion to \$21.9 billion.²

While the Third World market for armaments, other military supplies and military support systems has grown far more rapidly than that in the developed states of the world, there has also occurred a shift in the relative positions of the major suppliers. Until the mid-1970s the United States remained the primary supplier of military equipment on the world market, followed by the USSR and France. By the beginning of the 1980s the Soviets replaced the United States as the major suppliers of arms for the Third World while the United States had fallen into second position.³

Arms transfers have become an integral part of the relations between the industrialized countries of the North and the developing countries of the southern hemisphere--this emphasis on arms has been especially visible in the

policies of the two superpowers toward the Third World. The present study will examine the trends in arms transfer policies of the major suppliers and attempt to assess the place of these transfers in the overall policies of these countries and to determine whether or not there exists any evidence of cooperation in the arms transfers policies of the member countries of the two European military blocs--NATO and the Warsaw Pact. At this point it is relevant to note that until quite recently the smaller members of the Warsaw Treaty Organization have been rather insignificant sources of arms for the Third World (although on several occasions Czechoslovakia has played a very visible role as a Soviet surrogate--in Israel in the late 1940s and in Egypt in 1955-56).⁴ At the beginning of the 1980s, however, arms shipments from East European suppliers increased significantly and in 1982 comprised more than ten percent of all deliveries to developing states.⁵ As will be demonstrated later in this study, East European shipments of armaments and provision of military technical support are closely associated with those of the USSR. It is possible therefore, to speak of Warsaw Pact arms transfer policy in a meaningful sense.

When one examines the arms transfers of the Western countries, however, one finds far less evidence of cooperation. While the U.S. emphasizes security and political goals in its arms transfer policies, for France the economic factor (in particular in relationship to France's ability to maintain an independent armaments industry) has also been extremely important.⁶ Yet, it is also important to note that, especially in Africa, the interests of the NATO countries in supplying military support have tended to coincide. There does exist a degree of coordination of arms transfer policies among the Western states, although there also exists much greater level of policy discrepancy and competition than one can observe among the Warsaw Pact states.

I. NATO AND THE WARSAW PACT AS COMPETITORS IN THE ARMS MARKET

As mentioned above, it is difficult to perceive of the arms transfer policies of the major Western suppliers (the U.S., France, the U.K. and the Federal Republic of Germany) as forming anything like an integrated NATO policy. In fact, to a very substantial degree the Western suppliers compete with one another, as well as with the USSR and other suppliers, for markets in the Third World. Clear evidence of this situation occurred during the Carter Administration when the United States announced a policy of arms sales restraint. The response to President Carter's call for multilateral cooperation among major arms suppliers to reduce arms sales⁷ found no positive response among the major Western suppliers. Neither the French nor the British were willing to agree to any form of general restraint unless the Soviets agreed to a similar policy.⁸ French sales of sophisticated armaments systems to various Latin American states that had formerly bought most of their equipment from the United States was the concrete indication of the competitive aspects of arm sales of NATO countries. One of the arguments employed by the French to justify their arms sales is that they reduce the dependence of the recipients on one or other of the superpowers.⁹

One of the most important factors that reduces the possibilities of cooperation in arms transfer policies among the NATO members is the fact that the motives for exporting arms differ significantly among the various Western states. For the United States the primary goals relate to the global competition for influence with the USSR. As will be noted in more detail below, U.S. policy is oriented far more than is that of its NATO allies toward combating Soviet or Soviet-inspired "expansion," shoring up allies or

client-states, and maintaining the ability of the United States to project power in regions viewed as crucial to U.S. interests in the global competition with the Soviet Union.

For U.S. allies the goal of competing for influence with the Soviets is of significantly less importance. In the cases of both France and the U.K. finding markets for military products has become essential to the maintenance of an autonomous weapons industry. The costs of research and development of modern weapons have risen to the point that they can be covered only by the superpowers--or by those countries which are able to distribute them across substantial production runs. For countries like France and Britain this means that exports now play an important role in the country's ability to maintain a degree of military autonomy.¹⁰ Added to this is the fact that for some NATO members who import substantial amounts of weapons, exports provide at least a partial counter balance to the costs of these imports.

Overall, the members of NATO pursue their own individual policies with regard to arms transfers to the Third World. Although there exist some areas of overlap in these policies--e.g. the support of both France and the United States for the government of Zaire during and immediately after the invasions of Shaba Province in 1977 and 1978--the policies are determined on the basis of the interests of the individual countries and are often in conflict with one another.

The situation within the Warsaw Pact differs significantly from that of NATO concerning the question of coordination of arms sales. Throughout portions of the Third World, especially in Africa and the Middle East, the East Europeans have worked closely with the Soviets in the military area. Czechoslovakia and Poland have been the two most significant East European exporters of military

equipment, although the GDR has become a major supplier of military services (primarily training) in recent years. Although the expansion of East European arms sales and overall military involvement in the Third World began somewhat later than that of the USSR, by the beginning of the 1980s. Arms sales had reached a level approximately three times that of the mid-1970s.¹¹ These expanded activities can be viewed as an integral part of overall Soviet military policy in the Third World, for in virtually all cases the recipients of East European armaments are the same countries as those which purchase Soviet equipment. Moreover, cases of coordinated military sales and support services can be documented, such as the agreement between Hungary and Mozambique of November 1978, according to which the former was to provide military equipment, including tanks and aircraft (most likely on behalf of the USSR, since Hungary does not produce such equipment), as well as military advisors and instructors to train Mozambican troops in the use of the weapons.¹²

For the USSR the primary motive in exporting military equipment to the Third World has been--as it has been in the case of the United States--its importance for global superpower conflict. Arms have been viewed as the single most valuable asset that the USSR possesses in its global competition with the United States for influence and control. To a much greater degree than is the case within NATO the smaller members of the Warsaw Pact have complemented, rather than competed with, this Soviet effort. The fact that the East Europeans generally do not produce weapons--at least major weapons--that could compete with Soviet arms is obviously a factor in this lack of competition. Moreover, the fact that weapons production within the Warsaw Pact is much more integrated than it is within NATO means that the smaller members of the WTO can assist in such areas as training in the use and maintenance of Soviet-supplied armaments.

It should be clear by this point that the question does not really concern rivalry in the Third World arms market between the two European military alliances as integrated blocs. Although substantial unity does exist in the arms transfer policies of the Warsaw Pact states, the NATO countries lack any substantial degree of coordination in their arms sales policies. In the remainder of this discussion the major focus will be placed on the policies of the two superpowers, although note will also be taken of the policies of the other members of the two alliances.

II. DETERMINANTS OF NATO AND WARSAW PACT ARMS SALES POLICIES

As have already been noted, arms transfers to Third World countries have increased substantially since the beginning of the 1970s. Moreover, all of the major weapons suppliers have participated in supplying the expanded market. The question that now arises relates to the factors that influence the arms transfer policies of the major NATO and WTO suppliers. As has already been mentioned political and military-security factors appear to be most important in explaining the policies of both the United States and the Soviet Union, although economic factors also play a role. In the case of the other major NATO arms suppliers economic factors of a broad nature appear to be far more important.

a. Political Factors in Arms Transfer Policy

The primary purpose of both U.S. and Soviet arms assistance and sales has been political. For the Soviet Union the supplying of armaments has been the single most important aspect of its attempt, begun in the mid-1950s, to break out of its isolation from the Third World and to establish and solidify bilateral relations with countries such as Egypt, Syria, and India. In large part this effort was influenced by the earlier U.S. policy of establishing

alliance relationships with countries along the periphery of Soviet territory (especially in the Middle East) as part of the overall containment policy begun in the late 1940s. Initially the primary Soviet concern in extending military support to developing countries was the desire to undermine Western influence and strategic interests in these regions of primary concern for Soviet security. The 1955 shipment of Soviet arms to Egypt, as well as later military agreements with Yemen, Syria and Iraq, were all aimed at undermining the attempts of the United States and its allies to create a unified anti-Soviet alliance system along the southern borders of the Soviet Union itself. The Soviets were able to take advantage of the growing antagonisms between the revolutionary nationalist leaders of a number of Arab states and the West, plus the festering hostility between Israel and its Arab neighbors, in order to gain a presence in the Middle East. The provision of weapons, although by no means the only method employed by the Soviets, was the most effective method at their disposal to make an impact on political developments in the region.

Closely related to the Soviet goal of weakening Western dominance in Third World areas was the desire to establish and extend the presence of the Soviet Union itself. In almost all cases where Soviet military equipment was supplied to developing countries, Soviet military technicians arrived along with the equipment, in order to instruct the local military in its use. A corollary to this policy was the training of Third World military in the Soviet Union for more extended periods of time. The result has been an extensive Soviet presence in various Third World states (Egypt and Somalia prior to 1972 and 1977 respectively, Angola, Ethiopia, and, at a totally different level, Afghanistan since the Communist coup of spring 1978 and the Soviet invasion in late 1979.

Connected with the goal of gaining political access through the supply of

military support has been the effort to provide stability for countries that have turned to the USSR for support. During the 1960s and 1970s this became an especially important element of Soviet policy in the Third World has followed two paths--support for "progressive" regimes that are entering upon a path of socialist construction and a more pragmatic approach of dealing with other, "non-progressive," Third World states whose strategic location or raw materials base makes them of potential importance to the USSR. Military support has been among the most important elements in both of these sets of relationships. However, it appears most crucial in the case of those radical Third World states which have turned overwhelmingly to the Soviet Union for assistance.

When we turn to an examination of the arms sales policy of the United States we find many similarities with that of the USSR. The initial U.S. decisions to provide arms to Third World states were based on the goal of strengthening governments (such as those of Greece and Turkey) that were threatened by some form of what was viewed as Soviet expansion. The major rationale behind virtually all U.S. military programs in the Third World during the ensuing thirty-five years has been the goal of limiting Communist/Soviet influence. Even in the case of U.S. military support to Israel, the issue of expanding Soviet influence in the Middle East has been viewed as an important factor.

Early in the Reagan Administration--in response to what the new president saw as one of the major weaknesses of his predecessor's foreign policy--this policy was restated in the clearest tones. According to a statement on "Conventional Arms Transfer Policy," issued on July 9, 1981, the provision of military equipment to friendly allies was an essential component of the overall security policy of the United States in its attempt to counter the threats to

world peace and to U.S. interest emanating from the USSR. The United States was not able to counter these threats alone; therefore it must be prepared to strengthen the military capabilities of friends and allies. The statement went on to note that the Carter Administration's attempt to pursue a policy of restraint in the transfer of conventional weapons had found no support in either the Soviet Union or the other major arms producing countries. Given the absence of such support, "the United States will not jeopardize its own security needs through a program of unilateral restraint."¹³

During the early 1970s, as part of the Nixon-Kissinger policy of establishing strong regional allies capable of defending the interests of the "Free World" against challenges from the Soviet Union or its "clients," the U.S. had provided substantial amounts of conventional arms to countries such as Iran. Here the motive of competition with the Soviet Union was evident.

It is important to note at this point that it is not always possible to separate clearly the military-security aspects of Soviet or U.S. policy from those that are primarily political. To a considerable degree the two are intertwined, for the growth of military capabilities may well bring with it an enhanced ability to achieve political goals. It is also important to recall that military support is merely one of a number of instruments employed by the two superpowers in the effort to accomplish foreign policy objectives. Diplomatic contacts, trade relations, economic and technical assistance, cultural policy and propaganda, and subversion are additional methods that have been employed by both of the superpowers in their relations with Third World states during the past three decades, or so. However, throughout this entire period military contacts and arms transfers have been of special importance for both of the superpowers--primarily as part of an overall policy of mutual

competition for global influence.

Although political factors play a less important role in influencing the arms sales policies of the other members of the two major military alliances, they also have an impact. In the cases of the members of the WTO, as has already been noted, East European arms transfers are generally coordinated with those of the USSR and form part of an overall WTO arms transfer policy. In addition, however, for at least two of the East European members of the Warsaw Pact, Romania and the GDR, political factors independent of the overall goals of the alliance appear to play a role in determining policy. The German Democratic Republic, for example, has been especially concerned with establishing and strengthening its position as a recognized sovereign state independent from the Federal Republic. While this motive was more important prior to recognition of the GDR by the West in the early 1970s, it continues to influence GDR policies in the Third World where, after Cuba, it has become the most active Communist supporter of Soviet military activities. In addition, for the past two decades Romania has deviated from Soviet policy on a variety of issues related to the Third World as part of its attempt to expand its political, economic and military ties with other developing countries. The modest Romanian arms transfer and military assistance program can be seen, in part at least, as an attempt to strengthen Romania's standing as an independent actor in world affairs.¹⁴

For France the desire to retain and even strengthen its role in Francophone Africa remains strong. Despite the overall reduction of the impact of France in global politics during the past World War II period, France remains an important actor in Sub-Saharan Africa. French military commitments, including the provision of military equipment and even direct military support, remain an

important component of France's efforts to maintain its position of influence in its former African colonial territories.¹⁵

b. Military-Security Factors in Arms Transfer Policy

One of the important aspects of the policies of both the United States and the Soviet Union in supplying arms has been the goal of maintaining or expanding the capabilities to project power abroad in support of state interests. Twenty-five years ago, at the peak of U.S. power and influence in the world, the United States possessed a virtual monopoly on the ability to project military power in regions far from home. The existence of a large and powerful navy, alliances and basing rights agreements with a number of Third World countries (supplemented by agreements with European allies to use their military facilities in the developing world), and the existence of nuclear superiority which gave the United States a type of shield behind which it could act, all provided the United States with major assets in its global competition with the Soviet Union. Over the course of the past quarter century the Soviets have moved to close the gap in power projection capabilities that existed between themselves and the U.S. The expansion of Soviet projection capabilities--during a period in which U.S. and West European capabilities have generally been reduced--has depended upon two separate but interrelated developments. First, the Soviets began to produce the military equipment necessary to exert military power in regions beyond the territory under the direct control of the Soviet army. Throughout the 1960s and 1970s they pursued a construction program that now provides them with a large and modern ocean-going navy and long-distance transport aircraft.¹⁶ The second requirement was access to military facilities throughout the Third World at which to refuel, repair and refurbish the newly-developed military capabilities. As Robert E. Harkavy has argued most

persuasively, the Soviet Union "has accelerated the use of arms transfers for acquiring strategic access, expanding a once limited basing network to near global dimensions during an era which is witnessing the withering of previous ideological bars to many arms-transfer client relationships."¹⁷ The evidence points to a Soviet policy aimed at gaining access to military facilities in areas of strategic interest to the USSR as one of the primary motivating factors for Soviet policy in the Third World. The Soviets have employed both the distribution of economic assistance and, more importantly in recent years, the transfer of military equipment as part of an overall policy of competition with the West for the acquisition and maintenance of strategic access. During the course of the 1970s the Soviets were especially successful in creating a network of such facilities throughout the Indian Ocean area, the Middle East and various parts of Africa that now permits them to influence events far from the territory of the Soviet Union. It must also be noted that the development of the network of facilities has depended upon the support that the Soviets have been willing to provide to host governments, either in local conflicts or in conflicts with the West.

As should be clear by this point, this Soviet policy is patterned closely after the policies of the major Western states which, at the end of the Second World War, possessed a wide range of military facilities throughout the developing world. During the mid-1950s this network of Western military facilities was expanded, as the United States signed agreements with a number of countries--from Turkey to South Korea--which resulted in direct U.S. military access to facilities along the periphery of the USSR. After substantial erosion of the Western position after decolonization, in recent years agreements between the United States and several countries along the rim of the Middle East (Egypt,

Somalia and Oman) and the creation of what was to be a U.S. Rapid Deployment Forces to provide support for U.S. allies in the region are examples of the continued interest of the United States in gaining access to military facilities--primarily for the purpose of countering what have been viewed as aggressive Soviet--or Soviet-supported--actions in the region. Access to facilities for the U.S. military has been obtained, in part at least, in return for the U.S. supply of military equipment and guarantees of military support to the host governments.

A final point should be emphasized concerning the weakness of the position of both the United States and the Soviet Union in maintaining access to military facilities. Both countries have suffered significant setbacks in their relations with host governments and, as a result, have lost access to military facilities of importance to their overall security interests. In the case of the United States revolutions in both Libya and Iran resulted in a total loss of access to important facilities, as did the defeat of the government by South Vietnam. In Iran the loss also included massive amounts of military equipment provided to the government of the Shah as part of the U.S. policy of building Iran's capability to function of a regional "policeman." A similar situation occurred in Southeast Asia as a result of the final collapse of the American-backed government of South Vietnam. The Soviets have suffered comparable experiences in Egypt and Somalia after the divergence of their interests and policies from those of the host governments resulted in their expulsion. Both of the superpowers have discovered that access to military facilities depends on the continued coincidence of the interests of the host government and the "guest."

With the exception of France, access to overseas military facilities has

not been (or is no longer) an important consideration in arms sales policy for the other NATO states. For France this concern for military access is influenced primarily by the desire of France to maintain stability in Francophone Africa and to retain its position of influence on the continent.

c. Economic Factors in Arms Transfer Policy

As has already been mentioned, economic factors appear to play a growing role in the arms sales policies of most of the major suppliers. They appear to be of primacy concern in the arms transfer policies of the West European arms suppliers. As Edward Kolodziej has argued:

An examination of prevailing trends in arms production and sales and of the behavior of elites concerned with arms production, purchases, and sales suggests that economic and technological variables play a significant role in explaining the continued expansion of activity in these domains.¹⁸

Kolodziej emphasizes the importance of arms export policies meant to control the rising costs of weapons development and production. He notes that France, the U.K. and West Germany all increased arms exports during the 1970s at rates higher than the growth of defense expenditures.¹⁹ By expanding production for the export market, the defense industries in these countries have been able to recoup at least a portion of the skyrocketing costs of the development and production of sophisticated modern weaponry.

Given the size of the U.S. military and the demand for weapons for the U.S. armed forces, the economic motive is less salient for the United States than it is for its major NATO allies. However, for individual American armaments manufacturers access to foreign markets can be viewed as an important complement to sales made to the U.S. government. The opposition voiced to the Carter Administration's short-lived policy of sales restraint and the rapidity with

which the French moved to fill the void produced by the brief U.S. unwillingness to supply new weapons to certain traditional customers indicated the importance of the economic motive.

In the case of the Soviet Union and its Warsaw Pact allies economic motives also appear to exert an expanding influence. In an analysis of the economic costs to the Soviet Union of its arms supplies to the Middle East published in 1973, Gur Ofer concluded that the delivery of these weapons constituted "a heavy and ever increasing supply burden, an increase that creates even heavier claims on increments of new available resources."²⁰ However, developments in Soviet arms transfer policy in the past decade indicate that arms sales cannot be viewed merely as an economic burden on the Soviet economy. By the end of the 1970s approximately two-thirds of all Soviet military deliveries were paid for in hard currency or "hard goods,"²¹ and the total estimated annual hard currency income from arms sales averaged almost \$3.9 billion for the period 1977-1981. These sales, therefore, exceed the total hard currency deficit in Soviet merchandise trade conducted with the West.²²

During the 1970s the percentage of all Soviet exports comprised of military goods rose from slightly less than twelve percent in 1970 to sixteen percent in 1979. A significant percentage of these military exports went to the Third World in return for hard currency. What is clear from the available evidence is the fact that arms exports to the Third World states have become an important source of convertible currency and, along with petroleum and gold, comprise more than two-thirds of all Soviet exports for hard currency.²³ Arms sales have played an increasingly important role in covering the deficits in Soviet commodity trade with the world market--in fact, they more than covered this deficit in recent years. Although the economic factor is by no means the most

important influence in determining Soviet arms transfers, it is likely that it increasingly comes into consideration as the Soviet leadership makes its decisions concerning the value of providing arms to various Third World customers.

As should be clear by this point in the discussion, various economic motivations influence the arms sales policies of the major weapons suppliers. Along with the political and military-security factors discussed above, they provide the major determinants for the arms transfers policies of the member countries of both NATO and the Warsaw Pact. The following section of this analysis will examine briefly the restraints to expanded arms sales that exist in the policies of the major arms suppliers.

III. RESTRAINTS ON NATO AND WARSAW PACT AND ARMS SALES, 1945-1960

At the outset of a discussion of the existence of restraints on arms sales policies it is important to recognize that virtually all of the existing restraints are self-imposed and that, in general, they have had little evident impact on the escalation of the export of armaments. First of all, virtually all of the major arms suppliers--including those motivated largely by economic consideration--commit themselves to providing weapons to only certain types of regimes. For the United States the primary consideration has been the commitment of the recipient to support of "Western" ideals and defense of the "free world." This has meant that the United States has generally been unwilling to provide armaments to radical governments or to revolutionary movements. Virtually all important recipients of U.S. military equipment have been governments that were challenged by some form of internal opposition or were located near the USSR or a major Soviet ally. Soviet aid has also been

concentrated on a relatively small number of countries that the Soviets view as "progressive." Both of the major weapons suppliers, therefore, generally limit the delivery of armaments to regimes that they consider ideologically compatible or strategically located. The other major European suppliers place similar restrictions on their military export policies. One result of this limitation has been the development of military dependency relationships between major purchasers and suppliers. For example, of the fourteen major recipients of arms transfers for the period 1975-1979 (all of which received armaments valued at more than \$1 billion during the five-year period) all but four obtained more than seventy percent of their total supplies from one or other of the two major suppliers.²⁴

U.S. efforts in the early years of the Carter Administration to limit conventional arms transfers to the Third World and, at the same time, to tie the supply of armaments to human rights conditions in the recipient countries have already been mentioned.²⁵

The general conclusion reached by the contributors of The Gun Merchants, edited by Cindy Cannizzo, is that prospects for restraints on the continued growth of arms sales in the Third World are extremely weak. So long as regional conflicts (such as those in the Horn of Africa and the Middle East) are not resolved and so long as developing countries have the financial means to purchase armaments, the market will continue to exist. On the other side, the tendency of the superpowers to view arms transfers as an important component of their competition for global influence and the growing economic importance of arms sales for the majority of major suppliers provide little evidence of effective voluntary restraint on the part of the major suppliers. When one takes into account the fact that a growing number of Third World countries

(Israel, Brazil and India, to name only three) have begun to export increasingly sophisticated weapons, the prospects for a moratorium on the expansion of international trade in conventional weapons in the foreseeable future remain bleak.

IV. AN INTERIM ASSESSMENT OF ARMS TRANSFER POLICIES,

The most important fact that emerges from this brief overview of NATO and WTO arms transfer policies--and a fact that is evident to anyone familiar with the data on arms transfers--is the dramatic increase in armament sales since the beginning of the 1970s. All of the major suppliers--whether NATO or WTO members--have participated in supplying this growing market, although the Soviets and their allies have managed to increase their share in the market significantly. Another point, not really touched on in the paper, relates to the growing sophistication of the weapons being transferred to developing countries. Virtually all of the newest and technologically most advanced conventional weapons available in Europe or North America can be found in the arsenals of countries such as Argentina and Iraq, Saudi Arabia and Egypt. Moreover, there is a growing trend for some major arms suppliers to assist in the development of local armament industries throughout the Third World. All of this contributes to the increased lethality of warfare in the Third World (witness the level of conflict in the current hostilities between Iran and Iraq, as well the level of conflict possible between Israel and Syria).

What also emerges from this brief overview is evidence to support the argument that arms sales to Third World states have become an integral component of the policies of all of the major powers. For the USSR and the United States arms transfers are seen as a means of carrying on global competition and, more

specifically, of gaining access to strategically-located military facilities, of supporting friends and clients, and generally of projecting power and influence. Continued reliance on the military instrument in the policies of the two superpowers appears to be impervious to the "lessons" of recent history concerning the ephemeral nature of the gains likely to come from arms transfers (witness the examples of Iran, Egypt, South Vietnam and Somalia) and the fact that suppliers can be--and have in fact been--drawn into regional conflicts by their clients. For the other major European suppliers support for the policies of a superpower ally--especially important in the WTO--or the desire to maintain a degree of military independence by strengthening one's own armament industry have been important factors stimulating arms sales. Since these motivating factors are not likely to disappear in the foreseeable future, there is little reason to expect that the flow of sophisticated armaments to countries of the Third World will be slowed down. The remainder of the 1980s, as the decade of the 1970s, will witness a continued expansion of the transfer of weaponry and weapons technology from the industrialized countries of the North to the states of the Southern Hemisphere.

NOTES

1. Arms Control and Disarmament Agency (hereafter ACDA), World Military Expenditures and Arms Transfers 1963-1973 (Washington: ACDA, 1974), p. 72; ACDA, World Military Expenditures and Arms Transfers 1970-1979 (Washington: ACDA, 1982), p. 85.

2. Ibid.

3. For the years 1979-1982 the USSR provided approximately 33.4 percent of armaments imported by developing countries, followed by the U.S. with 25.9 percent and France with 10.5 percent. See Richard F. Grimmett, Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1975-1982. (Washington: Congressional Research Service, The Library of Congress, April 11, 1983), p. CRS-15.

4. For a discussion of the relationship of East European military relations with Africa to those of the USSR see Roger E. Kanet, "Military Relations between East European and Africa," in Arms for Africa: Military Assistance and Foreign Policy in the Developing World, ed. by Bruce E. Arlinghaus (Lexington-Toronto: Lexington Books, D.C. Heath, 1983, pp. 79-99.

5. Grimmett, Trends in Conventional Arms Transfers, p. CRS-15.

6. Edward A. Kolodziej, "Re-Evaluating Economic and Technological Variables to Explain Global Arms Production and Sales," manuscript to be published by the International Economic Association.

7. U.S. Senate, Committee on Foreign Relation, Arms Transfer Policy (Washington: U.S. Government Printing Office, 1977), pp. 11-12.

8. For a discussion of this point see Jo L. Husbands, "The Arms Connection: Jimmy Carter and the Politics of Military Exports," in Cindy

Cannizzo, ed., The Gun Merchants: Politics and Policies of the Major Arms Suppliers (New York: Pergamon, 1980), esp. p. 40 ff.

9. See Jean Klein, "France and the Arms Trade," in Cannizzo, ed., The Gun Merchants, pp. 149-150.

10. Ibid., p. 161. See, also, Martin Edmonds, "The Domestic and International Dimensions of British Arms Sales, 1966-1978," in Cannizzo, ed., The Gun Merchants, p. 82.

11. See Grimmer, Trends in Conventional Arms Transfers, p. 11

12. Africa Research Bulletin Political, XV, no. 11 (December 15, 1978), p. 5078.

13. Conventional Arms Transfer Policy, The White House, July 9, 1981.

14. See Michael Radu, "Romania and the Third World: The Dilemmas of a 'Free Rider,'" in Michael Radu, ed., East European and the Third World: East vs. South (New York: Praeger, 1981), pp. 235-272.

15. See Edward A. Kolodziej and Bokanga Lokulutu, "Security Interests and French Arms-Transfer Policy in Sub-Saharan Africa," in Arlinghaus, ed., Arms for Africa, pp. 125-152.

16. For a discussion of the growth of Soviet conventional military capabilities see William J. Durch, Michael D. Davidchik and Abram N. Shulsky, "Other Soviet Interventionary Forces--Military Transport Aviation and Airborne Troops," in Bradford Dismukes and James McConnell, eds., Soviet Naval Diplomacy (New York: Pergamon Press, 1979), pp. 336-351; and Part IV: "Projection Capability," in Michael McGwire and John McDonnell, eds., Soviet Naval Influence (New York: Praeger, 1977), pp. 239-320. In a recent important article Rajan Menon cautions against the tendency of exaggerate Soviet capabilities for projecting military power in the Third World. See his

"Military Power, Intervention and Soviet Policy in the Third World," in Roger E. Kanet, ed., Soviet Foreign Policy in the 1980s (New York: Praeger, 1982), pp. 263-284.

17. Robert E. Harkavy, "The New Geopolitics: Arms Transfers and the Major Powers' Competition for Overseas Bases," in Stephanie G. Neuman and Robert E. Harkavy, eds., Arms Transfers in the Modern World (New York: Praeger, 1979), p. 132. This point is expanded in Harkavy's more recent study, Great Power Competition for Overseas Bases: The Geopolitics of Access Diplomacy (New York: Pergamon Press, 1982), pp. 175-204.

18. Kolodziej, "Re-Evaluating Economic and Technological Variables," p. 14.

19. Ibid., p. 7.

20. Gur Ofer, "Soviet Military Aid to the Middle East: An Economic Balance Sheet," U.S. Congress, Joint Economic Committee, "Soviet Economic Balance Sheet," in U.S. Congress, Joint Economic Committee, Soviet Economic Prospects for the 1970s (Washington: U.S. Government Printing Office, 1973), p. 233.

21. See Joan Parpart Zoeter, "U.S.S.R. Hard Currency Trade and Payments," in U.S. Congress, Joint Economic Committee, Soviet Economy in the 1980s: Problems and Prospects (Washington: U.S. Government Printing Office, 1983), II, p. 504. The term "hard goods" refers to items that are easily convertible into hard currency--e.g. petroleum, food products, etc.

22. Ibid., pp. 503-504, 483.

23. Ibid., pp. 483, 503.

24. ACDA, World Military Expenditures, 1970-1979, pp. 127-120.

25. For a more extended discussion of this policy see Husbands, "The Arms

Connection," pp. 25-45. See, also, Andrew J. Pierre, The Global Politics of Arms Sales (Princeton: Princeton University Press, 1982, pp. 52-62.

END

FILMED

3-85

DTIC

